

Message Text

CONFIDENTIAL

PAGE 01 GEORGE 01931 301242Z

46

ACTION ARA-10

INFO OCT-01 NEA-06 ISO-00 NSA-01 AID-05 CIAE-00 COME-00

EB-04 FRB-01 INR-05 RSC-01 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-01 SIL-01 OMB-01 NSC-05 SS-15

STR-01 CEA-01 FEAE-00 INT-05 PRS-01 PA-01 USIA-06

IO-04 /084 W

----- 036499

R 291730Z OCT 74

FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC 488

INFO AMEMBASSY ABU DHABI

AMEMBASSY KUWAIT

C O N F I D E N T I A L GEORGETOWN 1931

E.O. 11652: GDS

TAGS: EFIN, GY, KU, TC

SUBJECT: BALANCE OF PAYMENTS AID TO GUYANA

1. ON HIS RETURN TO GEORGETOWN, FONMIN RAMPHAL TOLD ME OCTOBER 25 ABOUT HIS VISITS TO KUWAIT AND ABU DHABI FOLLOWING HIS ATTENDANCE AT UNGA. HE SAID INITIATIVE CAME FROM HOSTS, AS FOLLOW-UP TO HIS VISITS TO TWO COUNTRIES LAST SPRING IN UNSUCCESSFUL BID FOR EMERGENCY FINANCIAL AID TO OFFSET ENORMOUS INCREASE IN COST OF PETROLEUM IMPORTS. RAMPHAL BELIEVES THE TWO NATIONS HAD SECOND THOUGHTS ABOUT THEIR RELATIONS WITH SMALLER NON-ALIGNED NATIONS IN LIGHT OF MOUNTING PRESSURES ON LATTERS BALANC OF PAYMENTS AND CONSEQUENT NEGATIVE POLITICAL ATTITUDES TOWARDS ARAB MEMBERS OF OPEC. HE ALSO SPECULATED THAT GUYANA MAY HAVE GOTTEN SPECIAL CONSIDERATION BECAUSE OF ITS PROMINENT ROLE IN NON-ALIGNED GROUP AND, MORE PARTICULARLY, BECAUSE OF ITS ELECTION TOUNSC FOR 1975-77 TERM,

2. RAMPHAL DESCRIBED HIS RECEPTION IN KUWAIT AS DISTINCTLY MORE FAVORABLE THAN IN SPRING. HE GAINED IMPRESSION KUWAITI GOVT HAS HAD CHANCE TO COME TO GRIPS WITH THE QUOTE NEW REALITIES END
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 GEORGE 01931 301242Z

QUOTE CREATED BY ENORMOUS WEALTH IN ITS POWER AS CONTRASTED WITH

DISMAL PROSPECTS THEY HAVE CREATED FOR LDC'S DEPENDENT ON OIL FOR DEVELOPMENT PROGRESS. AS GENERAL REMARK, RAMPHAL SAID HE ALSO THOUGHT FORD AND KISSINGER SPEECHES AT UNGA HAD PRODUCED AT LEAST SLIGHT POSITIVE IMPACT ON OPEC MEMBERS AFTER INITIAL SALVOS OF WOUNDED PRIDE, ETC.

3. UPSHOT OF KUWAIT VISIT, ACCORDING TO RAMPHAL, WAS OFFER OF BALANCE OF PAYMENTS LOAN ON ONE-YEAR TERM IN AMOUNT OF US DOLS 10 MILLION (OR EQUIVALENT IN DINARS), AT INTEREST RATE OF APPROXIMATELY TEN PER CENT IF TAKEN IN DOLLARS OF APPROXIMATELY SEVEN PER CENT IF IN DINARS. ALSO TEAM FROM KUWAIT INVESTMENT CORPORATION ANT KUWAIT DEVELOPMENT FUND ARE TO VISIT GUYANA SHORTLY TO LOOK INTO POSSIBILITIES OF DEVELOPMENT LOANS AND JOINT VENTURE INVESTMENTS. RAMPHAL TOLD PRESS CONFERENCE (REPORTED LOCALLY OCTOBER 26) ABOUT HIS TALKS IN KUWAIT AND ABU DHABI, BUT GAVE NO DETAILS OF LOAN OFFER.

4. RAMPHAL SAID INITIALLY GOG FINANCE MINISTER AND CENTRAL BANK PRESIDENT WERE OPPOSED TO KUWAITI LOAN OFFER, ON GROUNDS SUBSTANTIAL RECENT IMPROVEMENT IN GOG FOREIGN EXCHANGE RESERVES, INTEREST RATES TOO HIGH, AND RISK OF CONVERTIBILITY LOSS IN EVENT FURTHER US DOLLAR DEVALUATION. RAMPHAL SAID HE PRESSED COLLEAGUES TO STUDY FURTHER SINCE HE FELT IT WISE TO ESTABLISH PRECEDENT OF ACCESS TO SUCH EMERGENCY-TYPE FUNDING TO MEET POSSIBLE FUTURE CONTINGENCIES. HE SUGGESTED TAKING LOAN IN DINARS AND UTILIZING FORWARD EXCHANGE CONTRACTS TO HEDGE AGAINST DOLLAR DEVALUATION.

5. VISIT TO ABU DHABI, RAMPHAL SAID, WAS LESS PRODUCTIVE, MAINLY BECAUSE GOVT HAS LESS CAPABILITY TO COPE WITH COMPLEX INTERNATIONAL FINANCE MATTERS AND ITS OUTLOOK IS MORE PAROCHIAL. HOWEVER, HE SAID THERE IS STILL A POSSIBILITY OF SOME KIND OF ASSISTANCE BEING OFFERED BY ABU DHABI.

KREBS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LESS DEVELOPED COUNTRIES, PETROLEUM, BALANCE OF PAYMENTS, FOREIGN ASSISTANCE
Control Number: n/a
Copy: SINGLE
Draft Date: 29 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974GEORGE01931
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740310-0028
From: GEORGETOWN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741011/aaaaaiqc.tel
Line Count: 93
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 21 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 AUG 2002 by WorrelSW>; APPROVED <05 MAR 2003 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BALANCE OF PAYMENTS AID TO GUYANA
TAGS: EFIN, GY, KU, TC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005